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Response to the Government of Canada's Consultation Paper on Training

by the

Canadian Labour Congress

May 1985

Introduction

The Canadian Labour Congress welcomes this opportunity to put in writing its views on the Government of Canada's Consultation Paper on Training released in December 1984. Much of what follows was conveyed to the Hon. Flora MacDonald, Minister of Employment and Immigration during a meeting with the CLC's Executive Committee on January 15, 1985.

The Consultation Paper presents a number of options and questions to focus discussion on the critical issue of skill development. It invites the cooperation of government, business, and labour in responding to these issues.

It is clear that the Paper has been developed against a backdrop of uncertainty created by the outlook for job creation and the impact of technological change. In the absence of any economic planning/industrial strategy aimed at full employment, labour market policy, including training, becomes especially difficult to define.

The Paper places a lot of emphasis on efficient allocation of resources, flexibility, targetting for special groups and life-long learning -- all of which, while laudable, are hard to reconcile with continuing high levels of unemployment.

The Budget of May 23rd may have given us an insight into how the government intends to reallocate resources in the training area. It cut $78 million from federal training programs, while ensuring that funding continues at present levels for the next two years.

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The Economic Context

Training cannot be discussed in isolation from labour market and other social and economic factors. With this in mind, let us review the context for this review of training policy:

(1) Unemployment -- The government's own projections and those of most independent forecasters show persistent high levels of unemployment (double digit rates) through the rest of the 1980's. For youth, the present levels and outlook are especially tragic. The May 1985 rate of youth unemployment is 16.2 per cent -- a figure that is almost double the rate experienced at the beginning of the "recession" and one that is not expected to decline significantly.

(2) Full-time vs. Part-time Jobs -- The recession has accelerated the trend from full-time jobs to part-time jobs. In August 1981, there were 9,592,000 full-time workers and 1,451,000 part-time workers compared to 9,539,000 and 1,777,000 respectively in May 1985. Over this period, there has been a loss of 33,000 full-time jobs and an increase of 326,000 part-time jobs. The vast majority of part-time workers are women. Many have to accept part-time work because of family responsibilities, lack of child care, or the prevalence of part-time work in the occupations they are concentrated in; e.g., sales, service clerical. This particular trend has important training implications since part-time jobs tend to be low-skilled as well as low paid relative to full-time jobs.

(3) Shift to Service Sector -- Since the 1940's, there has been a steady decline in jobs in the goods-producing industries (agriculture, forestry, mining, manufacturing). In 1941, the goods-producing industries accounted for 60 per cent of the jobs in the Canadian economy, while today they account for only 25 per cent. This has been accompanied by a shift in service sector jobs so that they now account for 75 per cent of the jobs in our economy. This trend is expected to continue. However, we can anticipate that public service employment will not contribute to this growth as it has

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in the past because of government restraint measures in the federal, provincial and municipal public services. This shift to service sector jobs will have implications for the nature and amount of training required. For example, many service sector jobs tend not to demand as much training; e.g., jobs in the fast food industry.

(4) GNP -- The recent growth in our Gross National Product, following negative growth in 1982, has not been accompanied by a growth in jobs. Employment in Canada increased by less than 2.5 per cent from 1983 to 1984, while real GNP increased by 4.7 per cent. And, as the government admits, if its interest rate projections do not materialize, another recession (starting with already-high unemployment) is a distinct possibility.

(5) Technological Change -- Technological change will have a profound impact on both jobs and skill requirements. It is unlikely that the jobs created as a result of technological change will be, either in nature or numbers, comparable to those lost. In fact, some experts predict that technological change will create a polarization of jobs -- a few high skill, high wage jobs at one extreme and many more low skill, low wage jobs at the other. Training requirements would likely be just as polarized with little chance to bridge the gap between the two skill levels. The Consultation Paper contradicts itself on this issue. On one hand, it states that training will provide Canadians with the skills and confidence needed for the new jobs brought about by technological change (p. iii). On the other hand, it shows using COPS data that the jobs contributing most to economic growth in the next decade will be low-skill jobs requiring little training (Annex I, Figure 9).

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Training for What?

In rhetorical fashion, the Consultation Paper raises the question "Training for what?" if there are no jobs. While the question is a central one, we emphatically reject the implication that we must accept the status quo. Other countries have experienced the same recession and technological change while managing to keep a greater portion of their workforce in productive employment. They have done so by pursuing more balanced economic strategies aimed at employment preservation and creation, as an integral part of an industrial strategy. Obviously, in that context "training for what" can be addressed in a more humane way.

By raising this issue, the Consultation Paper acknowledges the fundamental flaw in the Government's economic strategy. Its reliance on business to spur economic growth leads to unacceptable levels of unemployment. This strategy has been particularly devastating for women, youth, and minorities.

Specific Issues

(A) Skill Development Leave

The Consultation Paper addresses the issue of "life-long learning", where skill development and retraining continue throughout one's working life. In an era of rapid technological change, we believe this approach is imperative.

However, the Paper is less than enthusiastic about incorporating the right to education leave in the various labour codes, suggesting this may be "premature". We strongly disagree. Both the 1984 National Advisory Panel on Skill Development Leave and its predecessor, the Skill Development Leave Task Force in 1983, accepted it in principle. These task force

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reports indicate a widespread consensus, and we urge the government to give serious consideration to implementing a program of universal educational leave.

While we have had some successes in negotiating paid educational leave provisions into collective agreements, legislation would ensure minimum access for all workers. Such legislation should provide for: no loss in pay or benefits; minimum number of hours per year; flexibility to ensure access by groups such as women and shift workers; and, child care expenses.

On the other hand, there is no consensus in support of the Registered Education Savings Plan. RESP's, like RRSP's, would be primarily used by upper-income earners who have the savings to put into this tax-deductible vehicle. They would provide little benefit to those most vulnerable to job dislocation; e.g., women, those in the service sector.

(B) Women and Training

Women are under-represented in job-related training courses. Of the 3.2 million people enrolled in adult education courses in 1983, 28 per cent of the women compared to 57 per cent of the men were in job-related courses, according to the Consultation Paper. Employers paid for 56 per cent of men in job-related courses but only for 44 per cent of women.

The Paper acknowledges that the National Training Act has had only limited success in encouraging women to train in non-traditional areas. One of the primary reasons for this is that women have found that they cannot get jobs in male-dominated occupations even after the training. The Paper asks if this is a training problem or a larger one. The answer is clear. Mandatory affirmative action is required to allow women access to non-traditional jobs, and to ensure training opportunities. The CLC's Affirmative Action policy states, "The federal government must vastly extend

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the range of training opportunities and options for women particularly in the areas of expanding industries and services." Our policy also addresses the under-representation of women in apprenticeship courses (current participation rate is less than 3 per cent) by suggesting that skills and apprenticeship courses be more flexible, provide improved training allowances applied equally to men and women and provide child care subsidies. Mandatory affirmative action would ensure these types of initiatives and go a long way toward equalizing women's participation in training and in the labour force generally. The recent Abella Commission report provides some useful guidance on these matters and it includes a large number of recommendations on education/training.

Why is it that women continue to be under-represented in training programs? We believe that one of the reasons is the sorry state of our child care system. Day care in Canada is characterized by insufficient funding, long waiting periods for suitable space, and inflexible scheduling. This sad state of affairs is a real barrier for women re-entering the labour force.

(c) Youth

The Paper suggests that the school-work transition is a difficult one for young people. Obviously, with a shortage in jobs, those with little or no experience suffer most. The Paper suggests cooperative education as one solution. We could support this concept where employers are provided with a subsidy to provide on-the-job experience to young people attending educational institutions. While this is already going on to a limited degree its expansion would help to minimize the school-work transition. The main caveats are that such "trainees" should not be used to displace existing employees and that their use would be conditional on prior union agreement in the workplace.

(d) Literacy

Illiteracy rates in Canada remain high for a country with our

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standard of living and quality of education. Over four million Canadians require upgrading to achieve even basic levels of literacy and numeracy. The Paper states that illiteracy is declining each year and asks if there should therefore be a de-emphasis on basic training for adults. We suggest that illiteracy is still too high and these programs should continue until the rate is significantly reduced.

This conclusion is echoed by a number of recent studies. The Adams Commission, the Allmand Task Force, the Report of the National Advisory Panel and, most recently, the Abella Commission, all called for increased funding for basic literacy and numeracy training.

(E) Funding for Training

The Paper identifies a number of problems and anomalies with the current ad hoc approach to the financing of training:

- certain groups, such as women, receive proportionately less training (p. 5);
- training should be financed in a contracyclical fashion (p. 11);
- some employers have formal training programs, while others do no training and instead rely on the schools and other employers (p. 17);
- current employers should not have to bear the full cost of skill development for new careers (p. 19).

These problems all underline the need for a more equitable financing arrangement. We believe that the levy-grant system would fill this role. Under this system, all firms would contribute to a training fund, which would be used to compensate those that provided the training.

The CLC has long advocated the levy-grant system. It is interesting to note that it has considerable support in the employer

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community, including the Canadian Federation of Independent Business and the business representatives on the Major Projects Task Force.

The emphasis in the Consultation Paper on private-sector on-the-job training raises some unanswered questions. How will this be handled in regions of high unemployment, where on-the-job training prospects are limited? Will there be sufficient opportunities to train? (Currently, for example, Atlantic Canada lags behind in terms of expenditures on apprentice and skill training). Will the emphasis on training detract from the efforts of government to create jobs in these regions?

We are concerned by the suggestion that the unemployment insurance account be used to finance more training. We in the Canadian Labour Congress are concerned with the increasing use of U.I. funds for "developmental" purposes. With U.I. premiums at record-highs, U.I. funds should first be used to assist those who are unemployed due to lack of work, sickness, or maternity.

Finally, the Paper appears to validate a recent throust to income-test training allowances. This approach is most evident in the Youth Training Option (YTO) program. But the paper suggests means-testing, based on parental income, for a General Youth Training Allowance (p. 14). It also contemplates arrangements under the Canada Assistance Plan in support of training (p. 21 - Work for Welfare?).

We in the labour movement are disturbed by this thrust. To begin with, there is an undue reliance now on U.I. to finance training in certain jurisdictions. The reason for this is that training allowances are inadequate, particularly if the worker must travel to take the training course. Moreover, there is a real danger that employers will use this approach to circumvent minimum wage laws and use trainees to perform menial tasks. If the training is worth doing, it should be funded at an adequate rate.

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(F) Military Work Experience

Finally, we are concerned by the suggestion in the Consultation Paper for military work experience and training in geographic areas where private sector training and work experience was not available or did not make sense (p. 20). The needs of the military should be determined on their own merits; the armed forces should not be used as a dumping ground for otherwise unemployable, poorly-trained Canadians. Besides, expansion of the military budget for such purposes begs the question of why expenditures on socially-useful projects such as reforestation, rail upgrading and low-cost housing could not be made instead.

Mechanisms for Consultation

The Paper briefly discusses forums for future consultation on skill development issues.

At the national level, we see a potential role for the Canadian Labour Market and Productivity Centre (CLMPC). As a national consultative body, the CLMPC can provide valuable information on employment and training needs, providing business is forthcoming in providing the statistics.

On a regional basis, the Paper raises the possibility of local or regional training advisory bodies. We see some merit in this approach, but recommend they be established in cooperation with the CLC, our provincial federations of labour, and local labour councils.

Conclusion

This review has indicated several ways in which our approach to training should be revamped and improved. Implementation of skill development leave, mandatory affirmative action, and the levy-grant system of funding are all vital solutions to the problems discussed in the Consultation Paper.

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These solutions must go hand-in-hand with a "jobs first" economic strategy. If we leave it to the private sector, our best skill development policies will be wasted amidst chronic unemployment and underemployment. Hence, the optional training strategy is, first and foremost, an economic strategy aimed at employment equality, job creation, and job preservation.

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June 25, 1985